

Economic Impact Statement
LSA Document #12-156

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses**Description of Rule:**

[IC 16-19-3-27](#) requires that the ISDH study the use of various on-site sewage technologies, develop plans and specifications for the use of those technologies, and promulgate rules for those plans and specifications. The same subdivision of that statute requires the agency to adopt rules to allow local health departments to issue operating permits for on-site sewage systems.

Under [IC 16-19-3-4](#), ISDH has the authority to adopt rules in order to protect or improve public health in the state, including rules concerning the disposition of excremental and sewage matter. Under [IC 16-19-3-5](#) (formerly [IC 16-1-3-22](#)), ISDH may adopt rules for the efficient enforcement of any of the provisions of that article.

This rule ([410 IAC 6-8.3](#)) replaces [410 IAC 6-8.2](#), Residential On-Site Sewage Systems, which was promulgated in 2010. This new rule reorganizes the content to significantly reduce repetitive materials and redundancies while making the rule more user friendly. It clarifies and corrects several requirements from the previous rule. It adds flexibility to some of the local health department operations under this new rule. It also requires that all soils evaluations be conducted by a soil scientist. As with previous rules, this rule requires a property owner to obtain a permit from the local health officer for installation of a residential on-site sewage system.

[410 IAC 6-8.2](#) will be repealed on the effective date of the new rule.

Economic Impact on Small Businesses**1. Estimate the number of small businesses, classified by industry sector, that will be subject to the proposed rule.**

[IC 4-22-2.1-4](#) defines a small business as any person, firm, corporation, limited liability company, partnership, or association that: (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana; (2) is independently owned and operated; (3) employs one hundred (100) or fewer full-time employees; and (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

Tank Manufacturers – 44

On-Site System Installers – 500

2. Estimate of the average annual reporting, record keeping, and other administrative costs that small businesses will incur to comply with the proposed rule.

There are no record keeping or reporting requirements in the current rule and none are being added.

3. Estimate of the total annual economic impact that compliance with the proposed rule will have on small businesses subject to the rule.

Tank manufacturers – no fiscal impact

On-Site System Installers – no fiscal impact

4. Statement justifying any requirement or cost that is imposed on small businesses by the rule; and not expressly required by the statute authorizing the agency to adopt the rule; or any other state or federal law.

No fiscal impact; therefore, not applicable.

5. Regulatory Flexibility Analysis**Other factors considered:****A. Establishment of less stringent compliance or reporting requirements for small businesses.**

There is no change in compliance standards; however, to lessen the standards would not be effective in decreasing the potential harm caused by failing on-site sewage systems.

B. Establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses.

There are no schedules for compliance as there are no changes that affect small business.

C. Consolidation or simplification of compliance or reporting requirements for small businesses.

This rule is simpler than its predecessor, as the content is reorganized to significantly reduce repetitive materials and redundancies while making the rule more user friendly.

D. Establishment of performance standards for small businesses instead of design or operational standards imposed on other regulated entities by the rule.

Operation or design standards are necessary to achieve the benefits of the rule.

E. Exemption of small businesses from part or all of the requirements or costs imposed by the rule.

The state needs a uniform system to prevent the health hazards caused by failing on-site sewage systems so small businesses cannot be exempted from the requirements of the rule. As stated above, small businesses will not bear a cost increase from this rule change.

Conclusion

The changes proposed will not have a financial effect on the operations of small businesses in Indiana.

Posted: 06/20/2012 by Legislative Services Agency

An [html](#) version of this document.